Secretariat Stamp

Secl. II-27—104,000

P.W. (195) Departm

M. SERIES.

G.O. NO. 4237

4237

Dated 19 - 10 - 51

[Despatch Abstract.]

Electricity - Kollegal Panchayat Electrical Under
Acquisition by Government - Payment ~~xxx~~ of inte
due to Coimbatore District Board - Sanctioned.

C.F. 32.

In reply, please quote number, date and short title.

LOCAL ADMINISTRATION DEPARTMENT.

Received ASST. SECRETARY TO GOVERNMENT LOCAL ADMN. DEPT. 1 MAY 1951 1946

From (Name) Sri. [illegible] Palaniswami Gounder,

(Designation) President, District Board,

Post Box _____, (STATION) Coimbatore.

Telegraphic Address _____

To

The Secretary to Government,
Local Administration Department,
Madras.

Roc *No.* 1871-D.1-49, *dated* 3--5-- 1951.

Sir,

Sub: Loan - Kollegal Panchayat Board - Electrical undertaking - transfer to Government - Outstanding loan due to the District Board. - repayment of.

ENCLOSURES _____

SPARE COPIES Not Furnished

With the sanction of Government obtained in G.O.Nos. 2086 L and M dated 31-3-35 and 129 L & M. IS. dated 10-1-36 the District Board advanced a loan of Rs. 80,000/- to the Panchayat Board Kollegal towards its Electrical undertaking. The loan was at 2% interest repayable in 20 equal instalments each year. Accordingly, the Panchayat Board paid four instalments and a balance of Rs. 66,427--6--0 was outstanding on 1-4-48.

During the year 1948 the Government proposed to take over the Electrical undertaking by repaying the loans raised by the Panchayat Board and they actually took over the undertaking with effect from 1-10-1948.

copy at p.1 of (P)

Later on in their Order No.Ms. 662 dated 28-3-49, the Government instructed the Panchayat Board to pay the proportionate annuity upto 30-9-1948 on the outstanding loan due to the District Board, while the annuity of Rs.4893/- due on the loan of 1948--49 was actually paid by the Panchayat board on 29-3-1949 itself (ie.) before receipt of the Government order.

p.7 of (P)

Again, the Government in their order No.Ms. 1055 P.W.D. dated 17-3-50 also sanctioned the payment of an advance of Rs.84,002--8--0 to the Kollegal Panchayat Board with instructions to meet its liability due to the District Board to the extent of Rs. 64, 645--4--0. But the Panchayat Board deducted a sum of Rs. 2,446--8--0 being 50% of the annuity already paid by the Panchayat Board before the receipt of above said Government order dated 28-3-1949 and remitted a sum of Rs.62198-12-0 only to the Credit of the District Board Funds on 6-4-1950 while a balance of Rs. 62,862-15-0 towards principal and Rs. 1257-4-0 towards interest (ie.) Rs. 64,120--3--0 in all was actually due by the Panchayat Board. The Panchayat Board was then addressed in this

I p.2 infra

office letter dated 12-5-50, copy enclosed, to credit the balance of Rs. 2446--8--0 and instructed to address the Government if necessary to reimburse the amount to Panchayat Board Funds. In reply, the Panchayat Board invited

pp 15-16 of (P)

attention to Government Memorandum No.1161-D.1-49-(dated 22-5-50 and in turn wanted this office to address Government if any loan amount is outstanding payment by the Panchayat Board. A copy of reply of the Panchayat Board dated 28-7-50 is also enclosed.

II p.2-3 infra

..T.O.

Fifty per cent of the annuity paid by the Panchayat Board on 29-3-49 would become an excess payment as per the above Government order. But that amount was due to the District Board either by the Panchayat Board or by the Government. Hence the contention of the Panchayat Board that it has cleared the loan entirely as detailed in its letter dated 28-7-1950 was referred to the District Inspector of Local Fund Accounts, Coimbatore and he has advised me to refer the matter to Government. I, therefore request that the Government may be pleased to state whether the District Board is not entitled to recover the interest for the period from 1-10-48 to the date of final payment on 6-4-50 on the principal outstanding on 1-10-1948. I request early orders in the matter.

csc.8/5

President, District Board,
Coimbatore.

Enclosures.

I

Copy of letter Roc. No.1871--C.5--49 dated 12-5-50 from the President, District Board, Coimbatore to the Executive Officer, Panchayat Board, Kollegal.

Sub: Accounts - repayment of loan taken for Electrical undertakings.

Ref: Your letter Roc.No.395/49--A.3 dated 18-4-50.

As already intimated in this office letter Roc.1871/-C.5/49 dated 24-3-50, the balance of loan outstanding was Rs.62862-15-0 towards principal and Rs. 1257-4-0 towards interest (Rs. 64,120--3--0) But you have paid only Rs. 62,196-12--0 deducting a sum of Rs. 2446-8-0. This is not correct in as much as no amount was paid by Government to this board towards this loan. Further the loan was taken by the Panchayat Board and the Panchayat Board alone is responsible for the repayment of the amount to the District Board. In G.O.No.Rs. 1055 dated 17-3-50 Government have sanctioned only an advance payment to the Panchayat Board and therefore it is likely that a further payment will be made to the Panchayat Board for any sums still due. As the Panchayat Board has paid the proportionate annuity from 1-10-48, which was due to be paid by Government, you may address Government to reimburse the amount to the Panchayat Board funds. Please, therefore arrange to credit the balance of Rs.2446-- to District Board Funds and intimate the fact.

The receipt of treasury challan for Rs. 62196-12-0 is acknowledged.

/True Copy/

II

Copy of letter Roc.No.395/49-A.3 dated 28-7-1950 from the Executive Officer, Panchayat Board, Kollegal to the President, District Board, Coimbatore.

Sub: Accounts - Payment of loan of Rs. 80,000/- taken for Kollegal Electrical undertaking.

Ref: Your letter Roc.No.1871-C.5-49 dated 24-6-50.

As per directions contained in G.O.Ms.No.[illegible] Local, dated 28-3-49, this Panchayat Board should pay to the Coimbatore District Board only the proportionate annuity upto 30th Sept. 1948 on the outstanding loan. The proportionate annuity upto 30-9-48 comes to Rs. 2446--8--0 whereas the entire annuity of Rs. 4893/- for the whole of the year 1948--49 was paid to the District Board in T.R. No.908 dated 29-3-49. Hence, the District Board was requested in this office letter

letter Roc.No.1105/48--A.1 dated 10-4-49 to refund the excess amount of Rs. 2446--8--0 already paid. The President, District Board, was pleased to inform this office in his letter Roc.1871--C.5--49 dated 15-11-49 that the excess paid would be refunded in the course of the month after obtaining Board's sanction. It is also said in Government Memorandum No.1161-B/1/49-6 P.W. dated 22-5-50 that the payment of annuities for the periods subsequent to 1-10-1948 does not arise. The entire amount outstanding repayment to the Coimbatore District Board on 1-10-1948 was Rs. 64645-4-0 as detailed below:-

Balance of loan outstanding on 1-4-1948		Rs.66427-8-0
Annuity for the period from 1-4-48 to 30-9-48	Rs. 2446--8--0	
Interest alone.	664--4--0	
Principal.	Rs.1782--4--0	1782--4--0
Therefore Balance of Principal outstanding on 1-10-48		Rs.64645--4--0

The excess annuity paid for the period ~~from 1-10-48~~ from 1-10-48 to 31-3-49 viz. Rs. 2446-8-0 which was due to this Panchayat Board has been deducted from the amount of Rs.64645--4--0 due to District Board on 1-10-48 and the Balance of Rs. 62198-12-0 was paid to the credit of District Board Funds in T.R. No.99 dated 6-4-50.

Under the above circumstances, I am of opinion that this Board has cleared the entire loan as detailed above.

/True Copy/

V.K. Ramaswamy
9.5.51
President District Board,
Coimbatore

csc.8/5

L.A.D.(S)

Please see the letter of the P.D.B. Coimbatore on Pp 1-2 above. The amount due by the Kollegal Panchayat Bd. to the Coimbatore Dt Bd towards repayment of loan taken from the Dt Bd is now payable by the Govt as Govt have taken over the Panchayat Electrical undertaking w.e. from 1.x.48. This may be transferred to P.W.D. for necessary action.

23/5/51

23/5/51

L.A.U.O No 19449/510-1
9 28-5-51
29 3537

4

20/1346

P.W. (9).

Endt. No. 3537-9/51-1 dt 11-6-51.

Sub:- Electricity - Kollegal Panchayat Board Electrical Undertaking - Acquisition by Govt. - Repayment of loan due to Coimbatore Dt. Board.

Ref:- From the President, Dt. Bd, Coimbatore, Roc. No. 1871-D.1-49 dt 3-5-51 pp. 1-2 ante

—

Referred to the C.E.(E) for early remarks in consultation with the C.E.P.G.

9/6/51

11/6/51

To The C.E.(E) } with copy of pp. 1-3 ante.
Copy to the C.E.P.G. }

(1)/6

C.F. 32.

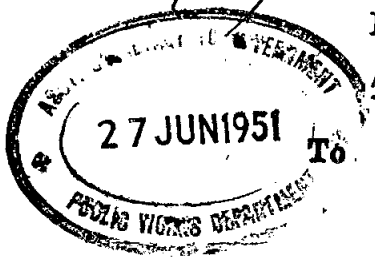
LOCAL ADMINISTRATION DEPARTMENT.

In reply, please quote number, date and short title.*

*Received*_____ *Registered*_____

25198

57546



From (Name) Sri.V.K.Palaniswami Gounder,

(Designation) President, District Board,

Post Box_____, (STATION) Coimbatore

*Telegraphic Address*_____

To

The Secretary to Government,
Local Administration Department,
M a d r a s.

Roc. *No.* 1871-D.1 / 49, *dated* 14--6-- 1951.

Sir,

Sub: Loan - Kollegal Panchayat Board - Coimbatore District Electrical undertaking - transfer to Government - outstanding loan due to the District Board - repayment of.

Ref: This office Roc. 1871--D.1--49 dated 3-5-51.

I request early orders of Government in the matter.

V.K.Palaniswamy
16.6.51

President, District Board,
Coimbatore.

ENCLOSURES_____

SPARE COPIES_____

csc.10/6

L. A. D.

P. L. D. U.O. in
Continuation of L.A.U.O.No. 19449/SLC-1
dt 28 5 51.

Lks
22.6.51
J.P.S.
22.6.51

dt 25.7.51

25767 J.P.S.

PLS

L. A. U.O No 25198/SLD-
dt 25.7.51

2 drafts

7

P.W.(9)

I

Memo No. 3537-9/51-2 Dt 3-7-51

Sub:- Electricity - Kollegal Panchayat Board Electrical Undertaking - Acquisition by Govt. - Outstanding loan due to Coimbatore District Board - Repayment of.

Ref:- From the President, Dt. Board, Coimbatore, Roc. No: 18771-D.1/49 Dt 14-6-51

P.S Cy

The matter is under consideration.

To the President, Dt Board, Coimbatore

2/7/51

II

Endt No: 3537-9/51-3 Dt 3-7-51

Copy communicated to the C.E.(E). He is requested to expedite his reply to the Endt. No: 3537-9/51-1 P.W. Dt 11-6-51 and state when it may be expected

P.W. Cy

To the C.E.(E)

2/7/51

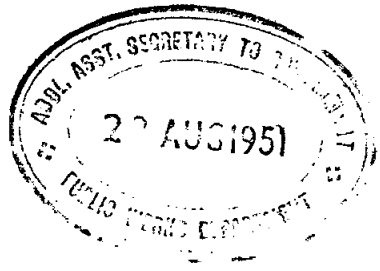
K/

9

GOVERNMENT ELECTRICITY DEPARTMENT

From

The Chief Engineer for Electricity,
157, Mount Road, Madras.2.



To

The Secretary to Government,
Public Works Department
Madras.

73060

Sir, No.430-C/50-12 dated 17-8-1951.

Sub:- Electricity - Kollegal Panchayat Board Electrical Undertaking - Acquisition by Government- Repayment of loan due to Coimbatore District Board.

p.4 ante Ref:- 1)Government Endt.No.3537-I/51-1 dt 11-6-51.

p.7 ante 2) " " Endt.No.3537-I/51-3 dt 3-7-51.

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p 11 infra I enclose herewith a copy of letter No.5945-Accounts/ 49-28 dated 26-6-51 from the Chief Electrical Inspector to Government on the above subject.

p 11 infra 2. I endorse the remarks of the Chief Electrical Inspector to Government in paras 2 and 3 of his letter dt 26-6-1951 and request that Government may advise the Coimbatore District Board to waive the claim for interest against the Kollegal Panchayat Board as suggested by the Chief Electrical Inspector to Government.

Encl.Copy of Chief Electrical Inspector to Government(s letter dated 26-6-1951 — p 11 infra

N. Venkataraman

sdr.17/8/1951. for Chief Engineer for Electricity.

Amk
17/8

Copy of letter No.5945-Accts/49-28 dated 26-6-51 from the Chief Electrical Inspector to Government, 157, Mount Road, Madras.2. to the Chief Engineer for Electricity, Madras.

Sub:- Electricity - Kollegal Panchayat Board Electrical Undertaking - Acquisition by Government- Repayment of load to the Coimbatore District Board.

Ref:- Govt.(P.W.D.)Endt.No.3537-1/51-1 dated the 11th June 1951 and Chief Engineer for Electricity's No.3086-C/51-1 dated 22-6-51.

In accordance with para 2 of the terms and conditions under which the Kollegal Electric licence 1937 was revoked in G.O.Ms.No. 2915 P.W. dated the 3rd August 1950, Government undertook the repayment of the loans taken by the Panchayat Board from the Coimbatore District Board for the purpose of capital expenditure of the electrical undertaking and remaining outstandings as on 1st October 1948. According to this, the amount of Rs.64,645-4-0 became payable by Government to the Coimbatore District Board even on that date; but the amount was actually paid on 6-4-50. Interest on this amount, at 2% from 1-10-'48 to 6-4-50 amounts to very nearly Rs. 2000/- which the Coimbatore District Board may not forego normally, as it is entitled therefor. If Government had not undertaken the repayment of the loan to the District Board, the Kollegal Panchayat Board should have paid the annuities periodicaly, which responsibility passed on to Government with the taking over of the undertaking on 1-10-48. Again, if the undertaking had to be taken over under the Acquisition Act, this liability would have passed on to Government with reference to section 7(3) of the Act. It may thus be seen that the claim for interest on the loan amount outstanding repayment on 1-10-48(from 1-10-48 to 6-4-50)preferred now by the Coimbatore Dist. Board is technically correct.

2. In Government(P.W.D) Memorandum No.1161-E/I/49-3 dated 2[illegible]-6-50 it has been stated that the payment of annuities for the periods subsequent to 1-10-48 does not arise as the entire amount outstanding repayment on 1-10-48 has been ordered to be repaid to the District Board." In effect this amounts to saying that the responsibility for the repayment of the balance of loan outstanding on 1-10-48 devolved on the Panchayat Board only. The Panchayat Board was enabled to repay the amount due to the Coimbatore District Board, only after Government sanctioned the advance payment for the acquisition of the Kollegal Panchayat Board Electrical Undertaking in G.O.Ms. No.1055 dated the 17th March 1950. The amount was paid to the Coimbatore District Board on 6-4-50. It is clear that the Panchayat Board could not pay back the balance of loan amount to the District Board earlier than that date.

3 Under the above circumstances it does not seem either technically correct or fair to saddle the Kollegal Panchayat Board with the responsibility to pay the penal interest on the outstanding loan amount as claimed by the Coimbatore District Board, as Government specifically undertook the repayment of outstanding loan amount on 1-10-48. In view of the special circumstances of the case, it is for consideration whether the responsibility to pay the interest to the Coimbatore District Board should now be assumed by Government. In this connection, I invite attention to the orders of Government in para 2 of Local Administration Department G.O.No.Ms.662 dated 28-2-49 waiving the recovery of penal interest from the Kollegal Panchayat Board in respect of the belated payment of annuity on the Government loans. The only difference between that and the present claim of the Coimbatore District Board is the amount of interest involved(i.e.the amount now being approximately Rs. 2,000/-). It may be suggested to Government that the Coimbatore District Board may be advised to waive the claim for interest in the present case, in view of the special circumstances involved.

/true copy/

sdr.17/8.

Superintendent.

C.F. 22.

In reply, please quote number, date and short title.

LOCAL ADMINISTRATION DEPARTMENT.

Received 19 SEP 1951 81643 PUBLIC WORKS DEPARTMENT

Registered 11 SEP 1951 38783 LOCAL ADMINISTRATION DEPT. SECRETARIAT, MADRAS

13 SEP 1951 ASSISTANT SECRETARY TO GOVERNMENT

From (Name) Thiru V.K.Palaniswami Gounder,

(Designation) President, District Board,

Post Box 42, (Station) Coimbatore.

Telegraphic Address

To

The Secretary to Government,
Local Administration Department,
Madras.

R.O.C. *No*1871/D1/49, *dated* 10-9-1951.

Sir,

Sub: Loan - Kollegal Panchayat Board - Coimbatore District - Electrical undertaking - transfer to Government - outstanding loan due to the District Board - repayment of.

Ref: This office R.O.C.1871/D1/49 dated 3-5-51 and Government Memorandum No.3537-1/51-2, dated 3-7-51.

I request very early orders of Government in the matter.

ENCLOSURES

SPARE COPIES

L.A. Dept No. 38783/57-1A 19/9/57 C/F to P.W.D n.o. 17/9/57 17.9.57

L.A. Dept 1871/57

V.K. Palaniswami 10.9.51

President, District Board, Coimbatore.

P.W.(I).

ELECTRICITY - Kollegal Panchayat ~~Board~~ Electrical Undertaking Acquisition by Government - ~~Repayment of~~ Payment towards an loan due to Coimbatore District Board - ~~Orders passed.~~ Sanctioned.

Ref:- From the President, District Board, Coimbatore,
Roc. No. 1871-D.a-49 dated 3-5-1951.
From the C.E.I.G., No. 5945-Accts/49-28 dated 26-6-1951.
do C.E.(E), No. 430 C/50-12 dated 17-8-1951.

G.O. Ms. No. 4237 dated 19-10-1951.

The Kollegal Panchayat ~~Board~~ Electrical Undertaking was aequired by the Govt. on the 1st October 1948 by negotiations. In G.O. Ms. No. 662 L.A. dated 28-3-1949, it was ordered that the Kollegal Panchayat Board should pay to the Coimbatore District Board the proportionate annuity upto the 1st October 1948 in respect of the loan taken from the Coimbatore District Board for capital expenditure on the Kollegal Panchayat ~~Board~~ Electrical Undertaking and outstanding on the 1st Octpber 1948. The Kollegal Panchayat Board ~~had~~, however, paid to the Coimbatore District Board on the 29th March 1949, the ~~amount~~ full annuity of Rs ~~4,382~~ 4,893/- for the year 1948-49 due on the above loan. In G.O. Ms. No. 1055 P.W. dated 17-3-1950, an advance payment of Rs 84,002-8-0 was sanctioned to the Kollegal Panchayat Board for the repayment of some of the loans taken for capital expenditure on its electrical undertaking and outstanding repayment, one of them being Rs 64,645-4-0, the loan ~~taken from~~ due to the Coimbatore District Board. The Kollegal Panchayat Board paid to the Coimbatore District Board on the 6th April 1950, a sum of Rs 62,198-12-0, after deducting from Rs 64,645-4-0, the amount sanctioned by the Govt., a sum of Rs 2,446-8-0, the excess amount of annuity already paid by the Panchayat Board on the 29th March 1949. The President, District Board, Coimbatore, has raised the question whether the District Board is not entitled to the interest on the principal outstanding on the 1st October 1948, for the period from the 1st October 1948 to the 6th April 1950, the date of final payment.

2. According to para 2 of the terms and conditions under which the Kollegal Electric Licence, 1937, was revoked in

16

G.O. Ms. No. 2915 P.W. dated 3-8-1950, the liability to repay the loan taken by the Kollegal Panchayat Board from the Coimbatore District Board, for capital expenditure on the Kollegal electrical undertaking and outstanding on the 1st October 1948, has devolved on the Govt. As shown in the annexure to these proceedings, the total amount (including interest) due to the Coimbatore District Board on the 6th April 1950 was Rs 64,136-11-5, after taking into account the payment made by the Kollegal Panchayat Board on the 29th March 1949 and as only Rs 62,198-12-0 was paid to the Coimbatore District Board on that date, the balance of Rs 1,937-15-5 is payable to the District Board. H.E. the Governor of Madras hereby sanctions the payment of Rs 1,937-15-5 (Rupees one thousand nine hundred and thirty seven, annas fifteen and pies five only) as interest due to the Coimbatore District Board.

3. The expenditure is debitable to "81.A.Capital Outlay on Electricity Schemes - I.Hydro Electric Schemes - Post War Reconstruction - A.Pykara Hydro Electric Scheme - 4. Kollegal Hydro Electric Scheme."

7/10/51

11/10/51

To The C.E.(E)
,, C.E.I.G.
,, President, Dt. Bd., Coimbatore.
,, Executive Officer, Kollegal Pt. Board, thro. the P.P.B., Kollegal.
Copy to the A.G. through Fin.
,, L.A. and Fin. Deptts.

Annexure.

		Rs	A	P
Amount of loan due to the Coimbatore District Board outstanding on 1-4-1948	---	66,427	8	0
Interest due upto 29-3-1949 at 2% per annum		1,317	10	0
Total due	---	67,745	2	0
Amount paid by the Kollegal Panchayat Board on 29-3-1949	---	4,893	0	0
Amount outstanding on 29-3-1949	---	62,852	2	0
Interest due on the sum outstanding on 29-3-49 upto 6-4-1950 at 2% per annum	---	1,284	9	5
Total amount due on 6-4-1950	---	64,136	11	5
Amount paid on 6-4-1950	---	62,198	12	0
Arrears of interest due to the Coimbatore Dt. Board -		1,937	15	5

GOVERNMENT ELECTRICITY DEPARTMENT.

From

The Chief Operation Engineer (South),
No.157, Mount Road,
Madras-2.

To

The Secretary to Government,
Public Works Department,
Fort St.George,
Madras-9.

3911

Letter No.35/X/S1/52-1 dated 10-1-1952.

Sir,

Sub: Electricity - Kollegal Panchayat Electrical Undertaking - Acquisition by Government - Payment of interest on loan due to Coimbatore District Board - Debit head - Amendment - Requested.

Ref: G.O.Ms.No.4237 P.W.D. dated 19-10-1951.

In the G.O. cited above, Government have sanctioned payment of Rs.1937-15-5 towards interest due to Coimbatore District Board for the period 1-10-48 to 6-4-50 in respect of its loan to the Kollegal Panchayat Board, debiting the expenditure to "81.A.Capital outlay on Electric Schemes - I. Hydro Electric Schemes - Post War Reconstruction A.Pykara Hydro Electric Scheme - 4 - Kollegal Hydro Electric Scheme".

In this connection I invite a kind reference to G.O. Ms.No.1057 P.W.D. dated 15-3-51 wherein the Kollegal Scheme was reclassified under the head "81.A.Capital Outlay on Electricity Schemes - I. Hydro Electric Schemes (Excluding Post War Reconstruction)" with effect from the accounts of 1950-51.

In view of the above I request revised orders may kindly be issued by Government for debiting the expenditure under (Excluding Post War Reconstruction) as contemplated in G.O.Ms.No.1057 P.W.D. dated 15-3-51. The payment of Rs.1937-15-5 made to the Coimbatore District Board as per G.O.No.4237 P.W. dated 19-10-51 is being debited under the head "Excluding Post War Reconstruction" in anticipation of Government approval.

CHIEF OPERATION ENGINEER (SOUTH).

Copy to the Superintending Engineer, Pykara for information with reference to his No.9711 AS/1202/BS/51-4 dated 20-12-51.

3 + 19 P.W.(D)

Memo No. 3911-D/52-2 Dt. 4-2-52

Sub:- Electricity – Kollegal Panchayat Electrical Undertaking – Acquisition by Govt. – Payment of interest on loan due to Coimbatore Dt. Board – Debit head – Amended.

Ref:- From the C.O.E.(South), No. 35/X/51/52-1 Dt. 10-1-52

In modification of the orders issued in para 3 of G.O. Ms. No. 4237 P.W. Dt. 19-10-51, the Govt. direct that the expenditure sanctioned in para 2 thereof should be debited to "81. A. Capital Outlay on Electricity Schemes – I. Hydro Electric Schemes (Excluding Post War Reconstruction) – Kollegal Hydro Electric Scheme."

2. The action of the C.O.E.(S) in having debited the expenditure accordingly in anticipation of the approval of the Govt., is ratified.

28/1/52 29/1/52

To the C.O.E.(South)
" C.E. LEY.
" C.E.D.C.
" President, Dt. Board, Coimbatore
" Executive Officer, Kollegal Pt. Bd.
Thro' the P.P.B., Kollegal

P.T.O.

Z+F

2C

PWR

Copy to the A/S. thro' Fin Deptt.

" L+A + Fin Depts.

2 Sets for all except Z+F 1 Set

for Fin Dept 1/2

16/2

Note :- Fin. may see before issue.

BJ 28/1/52

26/1/52

TPK 29/1

Fin

P.W.D. U.O.No. 3911-9/52-1

29-1-52

Fin (PWR)

The draft memo. may be accepted.

R 31.1.52

S916 N

31 JAN 1952

R 1/2/52 PWD.

P.W.(S)

ASSISTANT SECRETARY TO GOVT.

2-FEB 1952

PUBLIC DEPARTMENT

8018

Please see the fin. note above. The draft overleaf may be issued. After issue, the papers may be closed and filed with G.O.Ms. No. 4237 PW dt. 19-10-51 (D) from U.O.5916 PWR/52

BJ 1/52 1.2.52

TPK 1/2/52

2-2-52

C.NO.3537-I/51-

P.W.D.(1).

Sub:- Electricity - Kollegal Panchayat Board Electrical Undertaking - Acquisition by Govt., - Repayment of loan due to Coimbatore District Board.

Ref:- From the President, Dt. Board, Coimbatore, R.O.C. No.1871-D.1-49 dated 3-5-51. Endt. No.3537-I/51-1 ~~Rxxx xxx~~ P.W. dated 11-6-51 to the C.E.(E).
From the President, Dt. Board, Coimbatore, R.O.C. No.1872 - D.1.-49 dated 14-6-51.
Memo No.3537-I/51-2 P.W. dated 3-7-51.
Endt. No.3537-I/51-3 P.W. dated 3-7-51.
From the C.E.(E), No.430-C/50-12 dt 17-8-51

The Kollegal Panchayat Board Electrical Undertaking was acquired by the Government on 1-10-1948 by ~~negotitatio~~ negotiation ~~on~~ According to ~~the~~ para 2 of the terms and conditions under which the Kollegal Electric Licence, 1937, was ~~revo~~ revoked ~~ked~~ in G.O.MS.NO.2915 P.W. d/3.8.50, the liability to repay the loan taken by the Pt. Board from the Coimbatore District Board, for capital expenditure on the electrical undertaking and outstanding on 1-10-48, has devolved on the Govt. In G.O.MS.NO.1055 P.W. dated 17-3-50, ~~and~~ an advance payment of Rs.84,002-8-0 was sanctioned to the Kollegal Panchayat Board for the repayment of some of the loans outstatnding, one of them being Rs.64,645-4-0, the loan taken from the Coimbatore Dt. Board and outstanding repayment on 1-10-48. The Panchayat Board accordingly paid the amount due to the Coimbatore Dt. Board on 6.4.50. The Coimbatore District Board has now raised the question whether it is not entitled to the interest on the ~~principa~~ principal ~~l~~ outstanding on 1-10-48, for the period from 1-10-48 to 6-4-50, the date of final payment. The C.E.I.G. has pointed out that the claim for payment of interest put forth by the Coimbatore District Board is technically correct and that as the Government have taken the responsibility for the repayment of the balance of loan due to the Coimbatore District Board and outstanding on 1-10-48 the Kollegal Panchayat Board cannot be asked to pay the interest due. The C.E.I.G. has drawn attention to para of G.O.MS.NO.662 L.A. dated 28-3-1949. wherein it was ordered that no penal interest need be recovered from the Kollegal Panchayat Board on account of the belated payment of the proportionate annuity and has suggested that on the same analogy, the Coimbatore District Board may be advised to waive the claim for interest in the present

2.

case in view of the special circumstances involved. The C.E.(E) has endorsed the above suggestion of the C.E.I.G.

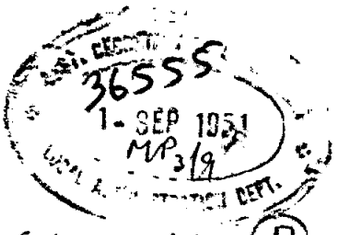
2. It will be seen that as pointed out by the C.E.I.G. the liability to pay interest on the outstanding loan due to the Coimbatore Dt. Board for the period from 1-10-48 to 6-4-50 vests with the Govt. The amount involved is about Rs.2,000/-. However, as suggested by the C.E.I.G. and the C.E.(E), the Coimbatore District Board may be asked to waive its claim for the payment of interest.

3. The file may be sent to L.A. & Fin. for remarks.

TPK 31/8/51 L.A. Fin

30/8/51

P.W.D. No. 3537-9/51-4 31-8-51



Copy on p1. (P)

L.A.D.(A)

Please see the note of P.W.D. above.

2. In para 2 of the G.O.No.662 L.A. dated 28-3-1949 it was only ordered that penal interest would not be recovered from the Kollegal panchayat on account of the payment of the proportionate annuity upto 30-9-1948 beyond the due date, namely, 7-3-1949 in respect of Government loans and the panchayat was asked to pay the amount before 10-4-1949. In para 3 of the G.O. the panchayat was also asked to pay to the Coimbatore Dt. Bd. the proportionate annuity up to 30-9-1948 on account of the loan taken from the Dt. Bd. before 10-4-1949. This file deals only with the question raised by the President, District Board whether the Dt. Bd. is not entitled to the interest on the principal of the loan outstanding on 1-10-1948 (i.e Rs. 64,645-4-0), for the period from 1-10-1948 to 6-4-1950, the date of final payment of the loan. The Dt. Bd. is obviously entitled to the interst. It is not clear how the orders in para 2 of G.O.No.662 L.A. dated 28-3-1949 can apply to this case even by analogy.

p1 c.f (P)

vide 'A' on p1 & 'M' on p1

p1 c.f (P)

P.T.O.

3. According to para 2 of the terms and conditions under which the Kollegal Panchayat Electric Licence was revoked, the liability to repay the loan taken by the Panchayat from the Coimbatore Dt. Bd. for capital expenditure on the undertaking and outstanding on 1-10-1948 devolved on the Government. Out of the advance sanctioned to the Panchayat by Government, the Panchayat paid the oustanding loan (~~Rs.61,245-0-0~~) due to the Dt. Bd. on 6-4-1950. The C.E.I.G. has pointed out that the claim for interest for the period from 1-10-1948 to 6-4-1950 put forth by the Dt. Bd. is technically correct. This Deptt. may support this view of the C.E.I.G. and suggest that the claim of the Dt .Bd. which is reasonable may be allowed.

4. With these remarks the case may be passed on to Fin. Deptt. u.o.

Finance (P.W.R.)

The notes of the P.W. and the L.A. Deptts. on pp.1-3 above may be perused.

2. The question of the possibility of the Coimbatore District Board coming up with the claim for the payment of interest (on the outstanding loan amount) for the period from 1-10-48 to the actual date of discharge of the loan was anticipated when the orders in Memo.No.1161-E/49-6 dated 22-5-50 were issued--vide 'X' on p.6 n.f. of (P). It was then considered that the question might be examined when the claim was preferred by the District Board.

pto.

IX

The District Board is reasonably entitled to be paid the interest on the amount outstanding up to the ~~first~~ final date of settlement of accounts. The questions to be decided are--

(i) What is the amount of interest payable to the District Board;

and (ii) Whether the Government should now accept the liability for the entire amount or whether it should be shared between the Panchayat Board and the Government.

Item (i): Against the sum of Rs. 66,427-8-0 outstanding on 1-4-48, the Board received two payments of Rs. 4893 on 29-3-49 and Rs. 62,198-12-0 on 6-4-50. The date 1-10-48 has no factual application inasmuch as no payment was made on that date and it may therefore be ignored now for purposes of calculation of interest due to the District Board. On this basis, the total amount (including interest) due to the District Board on 6-4-50 ~~is~~ was Rs. 64,136-11-5, after taking into account the payment on 29-3-49. But as only Rs. 62,198-12-0 was paid on that date, the balance Rs. 1937-15-5 is payable to it--vide statement at flag (X).

Item (ii): According to the terms of revocation of the licence of the Kollegal Panchayat Board, the liability for the discharge of the loan outstanding on 30-9-48 was taken over by the Government--please see paras 2 and 3 of the terms and conditions appended to G.O.No.2915, P.W., dated 3-8-1950. Hence, all payments made by the Panchayat Board to the District Board towards the loan after 1-10-48 have to be regarded as payments made on behalf of the Government. It does not, therefore, appear to be in order to ask the Panchayat Board to meet any portion of the interest due to the District Board. In fact, the Government's liability towards interest has, though to a small extent, been reduced by the Panchayat Board's payment on 29-3-1949.

Finance may therefore agree to the District Board

X

being paid by the sum of Rs. 1937-15-5 as interest due on 6-4-50.

18-9-51

18.9.51

From G.O. 65216-PWR/51-1

18-9-51

P.W.(9)

From the President, Coimbatore Dt. Board,
R.O.C. No. 1871/D1/49 dt 10-9-51

Please see the notes of L.A. + Fin. Depths. at pp. 2 to 5 above and the letter at p. 13 cf. This Depth. may accept the suggestion at 'x' on pp. 4-5 above. A draft order is accordingly submitted for approval. L.A. + Fin. may see before issue.

7/10/51

11/10/51

L A

Fin.

P.W.D. M.O. No. 3537-9/51-5

11-10-51

13/10

15

L A

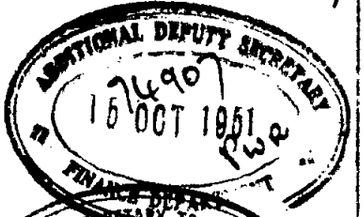
Seen

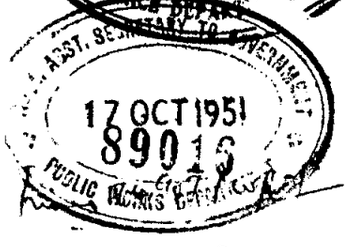
13 X 51

Fin

L.A. a.o. No. 43203/51-1A

15/10/51





17.x.51.

From (P.W.D.)

The draft order below may be accepted and the file returned to P.W.

16-10-51

16.x.51.

17/10/51

6

P.W. (9)

Please see the notes of L.A. + Fin. Depts. at p.5 ante. The draft order below may be issued.

18/10/51

18/10/51

18/10/51

G.O. Ms. No. 4237 P.W. dt 19-10-51

Flag (X)

Amount outstanding on 1-4-48 ..	66,427- 8-0
Interest due at 2% upto 29-3-49..	1,317-10-0
Total due ..	67,745- 2-0
Amount paid on 29-3-49 ..	4,893- 0-0
Amount outstanding on 29-3-49 ..	62,852- 2-0
Interest due on the sum outstanding on 29-3-49 upto 6-4-50 ..	1,284- 9-5
Total due on 6-4-50 ..	64,136-11-5
Amount paid on 6-4-50 ..	62,198-12-0
Arrears of interest due to the District Board.	1,937-15-5